

## Message Text

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41

ACTION EA-09

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NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 DOTE-00 ACDA-05 OMB-01

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 1538

C O N F I D E N T I A L BANGKOK 19798

E.O. 11652: GDS

TAGS: ELAB, TH

SUBJ: BANGKOK BUS STRIKE

REF: A. BANGKOK 19187; B. BANGKOK 10989

1. SUMMARY. WORKERS FROM EIGHTEEN BANGKOK BUS COMPANIES HAVE VOWED TO WALK OFF THE JOB FRIDAY EVENING UNLESS THE GOVERNMENT AGREES TO SET UP A STATE ENTERPRISE TO OPERATE THE MUNICIPAL BUS SERVICE. THE GOVERNMENT HAS REAFFIRMED AN EARLIER DECISION TO MERGE BANGKOK'S BUS COMPANIES INTO ONE FIRM WITH 51 PCT GOVERNMENT OWNERSHIP. TO COUNTER THE STRIKE THREAT THE PRIME MINISTER HAS CALLED UPON THE THAI ARMED FORCES TO PREPARE CONTINGENCY PLANS TO PROVIDE TRANSPORT SERVICES WITH MILITARY TRUCKS AND BUSES.

2. AS THE SEPTEMBER 30 EXPIRATION DATE OF BANGKOK BUS COMPANIES' FRANCHISES DREW NEAR GOVERNMENT OFFICIALS AND COMPANY OWNERS ATTEMPTED TO REACH AGREEMENT ON THE FORM OF CONSOLIDATION. DURING A SEPTEMBER 15 MEETING WITH THE PRIME MINISTER AN AGREEMENT WAS REACHED WHEREBY THE RTG WOULD BECOME THE OWNER OF 51 PCT OF THE MERGED COMPANY; THE REMAINING 49 PCT WOULD GO TO THE OWNERS OF THE EXISTING COMPANIES AND THE GENERAL PUBLIC. THE ASSETS OF THE EXISTING COMPANIES WOULD BE PURCHASED BY THE GOVERNMENT FOR CASH AND STOCK IN THE NEW COMPANY. 100 MILLION BAHT WAS ALLOCATED FOR  
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THE PURCHASE. EMPLOYEES OF THE EXISTING COMPANIES WOULD BECOME

EMPLOYEES OF THE NEW GOVERNMENT CONTROLLED COMPANY. NAILERT BUS COMPANY, BANGKOK'S LARGEST WITH OVER 700 BUSES, WAS THE ONLY COMPANY TO EXPRESS ENTHUSIASM FOR THE PLAN.

3. EMPLOYEES OF THE EXPRESS TRANSPORT ORGANIZATION, A GOVERNMENT ENTERPRISE, UNDER THE LEADERSHIP OF THE ETO UNION PRESIDENT, SUNTHON KAEONET, HAVE INSISTED THAT THE COMPANIES BE MERGED INTO A WHOLLY GOVERNMENT OWNED STATE ENTERPRISE. CLAIMING THAT EMPLOYEES AND THE BUS RIDING PUBLIC WILL GET A BETTER DEAL FROM AN ENTERPRISE THAT EXCLUDES PRIVATE BUSINESSMEN, THE UNION HAS BEEN ABLE TO GAIN THE SUPPORT OF WORKERS FROM EIGHTEEN OTHER BUS COMPANIES IN DEMANDING THAT THE RTG CREATE A STATE ENTERPRISE WITHIN FORTY-EIGHT HOURS. THE ULTIMATUM EXPIRES SEPTEMBER 19 AT 1800 HOURS. HOWEVER, FRIDAY AFTERNOON NEWS REPORTS INDICATE ETO WORKERS BEGAN LEAVING THEIR JOBS AT NOON.

4. THE PRIME MINISTER IS STANDING BY THE EARLIER DECISION TO CREATE A GOVERNMENT CONTROLLED COMPANY. THAI ARMY AND AIR FORCE TRUCKS AND BUSES, AS WELL AS GOVERNMENT BUSES, NORMALLY SERVING AREAS OUTSIDE BANGKOK ARE BEING ORGANIZED TO PROVIDE SERVICE, PROBABLY IN CONJUNCTION WITH NAILERT BUS COMPANY VEHICLES AND THOSE OF SEVERAL SMALLER COMPANIES WHOSE EMPLOYEES, AT LEAST FOR NOW, HAVE INDICATED THEY WILL NOT JOIN THE STRIKE. ALTHOUGH UNION LEADERS SAY THEY WILL NOT INTERFERE WITH THE BUSES OF NON-STRIKING OPERATORS, DRIVERS HAVE REMARKED THAT THEY WILL BLOCKADE TRAFFIC AND DEFLATE THE TIRES OF BUSES THAT CONTINUE TO OPERATE. FAMILY MEMBERS OF THE NAILERT BUS COMPANY OWNER ARE PRESENTLY UNDER POLICE PROTECTION AFTER RECEIVING THREATENING TELEPHONE CALLS.

5. COMMENT: ONE INTERESTING THEORY AS TO THE ORIGIN OF THE STRIKE IS THAT MANAGEMENT STANDS TO GAIN MORE FROM THE CREATION OF A STATE ENTERPRISE THAN EITHER LABOR OR BUS USERS, AND MAY BE ENCOURAGING THE STRIKE. OWNERS OF EXISTING COMPANIES WOULD NOT SEE THEIR ASSETS TIES UP AS A MINORITY INTEREST IN A PUBLIC SERVICE COMPANY BOUND TO LOSE MONEY, BUT WOULD INSTEAD BE ABLE TO LIQUIDATE THEIR ASSETS ENTIRELY THROUGH SALE TO THE RTG.

6. A BUS STRIKE WILL SERIOUSLY IMPINGE ON THE AVERAGE BANGKOKIAN'S DAILY LIFE. COMING AFTER THE POSTAL STRIKE AND GARBAGE STRIKE, THE KHUKRIT GOVERNMENT SHOULD HAVE THE PUBLIC SUPPORT FOR A STRONG  
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STAND.  
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